

Second meeting of the Inter-American Dialogue's initiative on security and migration in Central America and Mexico

**Friday, February 10, 2012
4:00 p.m.-4:45 p.m.**

I'd like to start by thanking the Inter-American Dialogue and all of you for participating in this important event today. You understand the importance of dialogue, as you are all leaders in your respective countries working on a range of issues. These events are critical to promoting mutual understanding which, in turn, helps us all find different ways to work better together.

I've spent a lot of my career in Latin America and working on Latin American issues, and without a doubt, this is a critical moment for the region. In the last decade, we've seen key partners like Colombia improve security and become an "exporter" of technical assistance in the region. While Central America and Mexico have unfortunately felt the effects of the increased presence of drug-trafficking organizations, they understand now more than ever the importance of working together to address these issues. The United States has also recognized its shared responsibility in this fight and is providing resources to assist our neighbor nations. Consequently, I remain very optimistic about Central America's and Mexico's futures and I think the Obama administration has shown a strong commitment to the region.

American Interests in the Region

We remain committed to Central America and Mexico because they have asked us to, and because we recognize that their domestic and regional security affects our own. Likewise, we want to see broad-based economic growth throughout the region, not only because it is crucial for fighting poverty, but also because our economies and peoples are so closely linked.

Moreover, I think we all recognize the importance of social investments, such as health and education. As we struggle in the United States to reform our health and educational systems to confront the challenges of the 21st century, the region is doing the same, and we are supporting those efforts through not only the U.S. Agency for International Development (USAID) and the Peace Corps, which for the last 50 years have had important programs in Guatemala, but also through other federal agencies such as the Centers for Disease Control (CDC) and the Department of Agriculture.

I believe that Central America's and Mexico's struggle to improve citizen security underpins the development of everything else -- the rule of law, future economic growth, and social progress. The U.S. Government wants to complement the efforts of regional governments, the private sector, and civil society in addressing these security needs and will remain a committed partner to Central America and Mexico.

Challenges

We know the challenges the region is facing: a precarious security situation (exacerbated by gangs, domestic violence, and extortion); organized crime involved in everything from drug-trafficking, weapons trafficking, human trafficking, to money-laundering. Added to this are poverty and malnutrition; difficulties in enforcing basic human rights such as labor rights; corruption, and an overall lack of resources. All of this conspires and prevents citizens from moving ahead.

Without a doubt, violence in Central America -- particularly in the Northern Triangle of Guatemala, Honduras and El Salvador -- has grown out of control. The United Nations Office on Drugs and Crime recently reported that in Honduras, there were 82 murders per 100,000 inhabitants in 2010. El Salvador and Guatemala had 66 and 41 murders, respectively. As a point of comparison, just to the north in Mexico, there were 18 murders per 100,000 people in 2010; and in the United States, there were 5.

I've heard from several members of Guatemala's wealthy families that their children are afraid to return to Guatemala because of the rampant violence. On the other end of the social scale, I've heard from people in working class neighborhoods talk about how they suffer mightily from kidnappings, extortions, rape, and attacks on buses.

As an example of how insecurity affects economic growth -- a World Bank 2010 report estimated that crime and violence cost Central America approximately 7.7 percent of annual Gross Domestic Product, reaching nearly 11 percent in El Salvador and 10 percent in Honduras.

Narcotrafficking

The security threat that is most widely publicized and discussed is narcotrafficking. We all know that Central America and Mexico are transshipment points for narcotics and precursor chemicals going from China to other places in the United States. The drugs are transported over land, at sea, and in the air.

Efforts by the Mexican government to directly tackle drug-trafficking organizations have pushed many of them southward into Central American countries and the clashes that are occurring between local cartels and those with ties to Mexico are increasingly violent. As if this were not enough, I can tell you that Guatemala, for example, is also facing a serious poppy growing problem and is at risk of becoming a major producer of this plant.

In addition, Guatemala has seized tons of precursor chemicals used in the production of methamphetamine. These chemicals are volatile, highly toxic, and represent an immediate threat to public health and safety.

The government of Guatemala is beginning to develop ways to stem imports, safely handle seized chemicals, and safely destroy them. New challenges like this one are bound to arise in any nation and, regrettably, many Central American nations also lack the necessary funds to confront many of these challenges.

Fiscal reform has been a key issue in Guatemala and President Pérez Molina has made it a priority. I believe progress in this area will be indispensable to moving countries forward.

Regional Objectives

I would like to discuss in more detail how the U.S. Government is working government-to-government and people-to-people to assist the region.

In March 2011, President Obama visited El Salvador and announced the “U.S.- Central America Citizen Security Partnership.” Under this initiative, we are realigning our priorities in Central America to work with our partners in the region to reduce the ability of criminal organizations to destabilize governments, threaten public safety, and spread illicit drugs, guns, and other transnational threats to Central America, its neighbors, and the United States.

Also, in recent years, and since 2008, the United States has been working closely with the Mexican government providing over \$1.3 billion in assistance under the Merida Initiative, which has enabled greater cooperation between law enforcement agencies, prosecutors, judges and civil society in areas such as tracking criminals, drugs, arms, and money.

U.S.-Guatemala Partnership

Specifically in the case of Guatemala, the U.S. and Guatemala enjoy a strong relationship, both politically and economically. We appreciated the close government-to-government relationship we had during the Colom administration and we are off to a solid start with the Pérez Molina administration as well. Former President Colom came into office stressing the importance of social programs over security issues. As he has noted, however, he quickly found out that security is an issue that underpins all others and is frequently cited by Guatemalans as their top priority. Therefore, it was difficult to achieve the social development he desired because security underpins everything else, and he ended up focusing increasingly on security issues over the course of his administration.

In the same way, during his campaign, President Pérez Molina not only emphasized security, but he also focused on combating malnutrition through the *Cero Hambre* program and institutionalizing social programs by creating the Ministry of Social Development. For a long time, our policy has been to help Guatemala improve its social development, as well as citizen security. During FY 2011, U.S. provided over \$220 million in bilateral assistance to Guatemala in FY 2011.

Success Stories

On the law enforcement side, we have a number of specialized agencies at the Embassy who work specifically to improve the capacity of our Guatemalan counterparts so that they can achieve concrete results bettering the lives of Guatemalan citizens.

For example, the Narcotics Affairs Section (NAS) has provided training to the specialized anti-gang unit known as PANDA. The Federal Bureau of Investigation (FBI) is also tackling the gang problem using a regional approach and has established the Transnational Anti-Gang Unit (TAG) which will work closely with units in other countries and the U.S. to share information about violent gang members.

NAS has also implemented two Model Police Precincts aimed at fostering better police-community relations to reduce crime in Villa Nueva and Mixco. Following implementation of the Model Police Precinct in Mixco, murders fell from 501 in 2009 to 297 in 2011 which amounts to a 41% reduction. A third Model Police Precinct is being implemented now in Cobán.

DEA works closely with Guatemalan counterparts to identify major narcotraffickers, nine of whom have been arrested since October 2010 due to close collaboration between the Public Ministry and Ministry of Government.

We have complemented our assistance with support for the justice sector, through USAID, five 24-hour courts were established throughout Guatemala. These courts have improved the pace of pre-trial hearings and cut down on opportunities for corruption.

USAID is also seeking to make youth less susceptible to engaging in criminal activity by supporting 16 outreach centers throughout Guatemala. These centers offer educational and vocational opportunities given that community participation is key to prevention.

The U.S. Government strongly supports the work of the International Commission Against Impunity in Guatemala (CICIG) which continues to play an important role in Guatemala's justice sector. We also are continuing to support the Guatemalan government's efforts to carry out police reform.

Aside from support to the government, we also are building people-to-people bridges. One of the ways we do this is through assistance programs aimed at reaching all sectors of Guatemalan society.

For example, USAID provides assistance not only to help the government of Guatemala build its justice sector institutions and run free, fair, and transparent elections, but it also provided assistance to a broad coalition of non-governmental organizations to observe those elections.

USAID and other agencies work with Guatemalans to improve health services, promote measures to mitigate the effects of climate change, and strengthen food security. USAID and the State and Treasury Departments also work to broaden economic opportunities by improving private sector competitiveness, increasing

income and access to finance for small-scale producers, and promoting trade and entrepreneurship.

Our military-to-military relationship is also strong. The U.S. Military Group in Guatemala represents the United States Southern Command and focuses its efforts with the Guatemalan military on security cooperation issues in four specific areas: (1) counter illicit-trafficking; (2) human rights; (3) humanitarian assistance/disaster preparedness; and (4) peacekeeping operations.

Our Public Affairs Section (PAS) reaches out to universities and journalists, manages prestigious exchange programs such as the International Visitor Leadership and Fulbright Programs, and is also implementing the largest English Access Microscholarship program in Latin America!

We have also been trying to support Guatemalans in the area of fiscal reform. In 2011, Guatemala collected 11.2% of GDP in taxes, above previous years, but still behind the Central American average. I am pleased that President Pérez Molina has made fiscal reform a priority. If successful, the increased funds could serve as a great resource for tackling the many challenges confronting the country.

This represents just a few of the success stories we have had to date from Guatemala only. I'm sure you are aware of others in your own countries. One important note: our citizen security partnership with the nations of Central American and Mexico is intended to *supplement, not substitute for*, their expenditures to enhance the capabilities and effectiveness of their law enforcement and security services, increase the capacity of rule of law institutions, and address the root causes of crime and insecurity in their societies.

Leadership Must Come From the Region

During her visit to Central America last year, Secretary Clinton said "leadership must come from Central America itself, and not only from governments but also private sectors and civil society. We will all be your ready partners, but we want and need to follow your lead."

That's why your efforts in your individual countries and around the region are so critical. You ensure that citizens and governments continue to discuss the root causes of insecurity as well as develop concrete plans to address them. Moreover, you serve as a vital and critical check on government action to ensure that citizen security measures are balanced with respect for human rights.

Examples of National Actions to Improve Security

I know some countries are already taking steps to address budget shortfalls and prioritize citizen security and El Salvador and Costa Rica are working to increase their revenue collection efforts by increasing the effectiveness of their tax collection systems, which should generate additional funding for citizen safety initiatives.

Honduras passed a “security tax” measure in June 2011 which, once implemented, will significantly increase revenue available to the Government of Honduras.

Guatemala passed a Seized Asset Law in December 2010 which has already led to the seizure of \$6.4 million dollars, but these funds have not yet been distributed to the appropriate security and justice sector ministries. Once the distribution mechanism is fully-functional, this law will allow the government of Guatemala to provide resources to institutions that need additional funds.

Alignment with Regional Efforts Through SICA

These national actions provide a glimpse of what individual nations are doing in the region to improve their own security and complement efforts being led by the Central American Integration System (SICA) to address citizen security from a regional perspective.

In June 2011, Guatemala hosted the SICA conference on security. This was a key moment because it represented the culmination of years of work by Central American governments to identify and prioritize the key threats to improving security in each of their nations. SICA has developed 22 regional project proposals which it has shared with international partners, including the United States, Mexico, Canada, the European Union, Spain, and international institutions such as the Inter-American Development Bank and the World Bank.

As SICA and the nations of the region have continued to develop their citizen security strategies, the United States, along with other donors and international financial institutions, have stressed to SICA and Central American governments that broad citizen and private sector participation in reviewing proposed security strategies and implementation plans will give such plans visibility and credibility with citizens. We are full participants in the SICA process and are looking for ways in which we may be able to support given budget constraints.

The Central American Regional Security Initiative (CARSI) is still the central vehicle for U.S. funding and implementation of the Citizen Security Partnership in areas such as law enforcement and rule of law in Central America. [Background: Beyond funds already appropriated between FY 2008 – FY 2011 (\$361.5 million) for the Central America Regional Security Initiative (CARSI), the Obama Administration requested an additional \$100 million in FY 2012 to support CARSI. End Background.]

We are convinced that the broader Central American Citizen Security Partnership will strengthen the impact of CARSI and other nations' programs. Our security cooperation with Mexico continues to grow and we anticipate that we will continue to support existing programs through the Merida Initiative.

USG Commitment

I want to underscore that the United States remains committed to Central America and Mexico. I know that things can improve in this region because we have seen other countries make the necessary changes to enhance security and improve the lives of their citizens. I am sure that it can be done and we look forward to working with you to achieve that mutual goal.

Thank you for your kind attention. I am happy to answer any questions you may have about security issues and/or U.S. policy. I have also brought a few members of my expert team (USAID, DEA, and NAS) with me today in case you have any specific questions about our programming.

Thank you again for your time.